

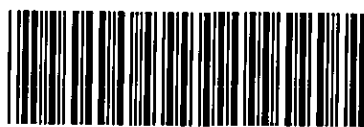
TAKORADI GOLD (INTERNATIONAL) LIMITED

Company Number: 2065485

ANNUAL REPORT

YEAR ENDED 30 JUNE 2008

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TAKORADI GOLD (INTERNATIONAL) LIMITED

COMPANY INFORMATION

Directors Rodney T Hudspeth
 Albert G Harris
 C Kevin Dzang

Secretary Robert Blake

Company Number 2065485

Accountants PKF (UK) LLP
 Farringdon Place
 20 Farringdon Road
 London
 EC1M 3AP

TAKORADI GOLD (INTERNATIONAL) LIMITED

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TAKORADI GOLD (INTERNATIONAL) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors submit their report and the financial statements for the year ended 30 June 2008.

Principal activity

The principal activity of the company and its subsidiaries during the year was exploration for gold.

Directors

The directors who served during the year and their interests in the company's issued share capital at the balance sheet date and at the start of the year (or date of appointment, if later) were:

Rodney T Hudspeth
Albert G Harris
C Kevin Dzang

The directors' interests in the share capital of the ultimate parent company, Takoradi Limited, are shown in the financial statements of that company.

Material Interest in Contracts

No Director has any material interest in contracts undertaken by either the Company or other group companies except for both Mr R T Hudspeth, who is employed by a management company under contract to the group of companies and Mr A G Harris to provide management advice.

The ultimate parent undertaking is providing sufficient funds to meet the Company's, and its group companies' working capital requirements.

Provision of information to auditors

Each of the directors has confirmed that so far as he is aware, there is no relevant audit information of which the company's auditors are unaware, and that he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

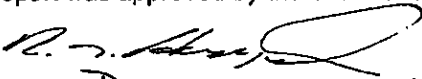
Auditors

The resolution to re-appoint the auditors, PKF (UK) LLP, will be proposed at the Annual General Meeting.

Basis of preparation

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board of directors on 25.04.09 and signed on behalf of the board by


DIRECTOR
R.T. HUDSPETH.

x
Director

TAKORADI GOLD (INTERNATIONAL) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Independent auditors report to the members of
Takoradi Gold (International) Limited**

We have audited the financial statements of Takoradi Gold (International) Limited for the year ended 30 June 2008 which comprise the profit and loss account, the balance sheet and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom accounting standards ('United Kingdom Generally Accepted Accounting Practice') are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors report to the members of
Takoradi Gold (International) Limited
(continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Emphasis of matter

In forming our opinion, which is not qualified, we have considered the adequacy of the disclosures made in note 1(b) to the financial statements concerning the company's ability to continue as a going concern. The company incurred a net loss of A\$ nil during the year ended 30 June 2008 and, at that date, the company's liabilities exceeded its total assets by A\$2,553,515. These conditions, along with the other matters explained in note 1(b) to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

London, UK

Date :

1 May 2009

PKF UK LLP

PKF (UK) LLP
Registered auditors

TAKORADI GOLD (INTERNATIONAL) LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 JUNE 2008

	Notes	2008 A\$	2007 A\$
Administrative expenses		-	-
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	<u>-</u>	<u>-</u>

TAKORADI GOLD (INTERNATIONAL) LIMITED
BALANCE SHEET
30 JUNE 2008


	Notes	2008 A\$	2007 A\$
FIXED ASSETS			
Intangible	4	16,548	16,548
Investments	5	1	1
		<u>16,549</u>	<u>16,549</u>
CURRENT ASSETS			
Cash at bank and in hand		222	222
		<u>222</u>	<u>222</u>
CREDITORS: amounts falling due within one year	6	(3,000)	(3,000)
NET CURRENT LIABILITIES		<u>(2,778)</u>	<u>(2,778)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>13,771</u>	<u>13,771</u>
CREDITORS: amounts falling due after more than one year	7	(2,567,286)	(2,567,286)
NET LIABILITIES		<u>(2,553,515)</u>	<u>(2,553,515)</u>
CAPITAL AND RESERVES			
Called up share capital	8	222	222
Profit and loss account	9	(2,553,737)	(2,553,737)
		<u>(2,553,515)</u>	<u>(2,553,515)</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the companies Act 1985 relating to small companies.

The financial statements were approved by the board and authorised for issue on: 29.04.08.

Signed on behalf of the board of directors

Director



TAKORADI GOLD (INTERNATIONAL) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2008

1 ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

The company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

(b) Accounting basis

The company balance sheet shows that liabilities exceed assets by A\$2,553,515 (2007: A\$2,553,515) including a liability of A\$2,567,286 (2007: A\$2,567,286) to the ultimate parent undertaking, Takoradi Limited. Takoradi Limited has confirmed that it will not seek repayment of the amounts outstanding for a period of at least one year from the date of approval of these financial statements. Takoradi Limited has also confirmed its intention to maintain its financial support for the foreseeable future to enable the company to meet its commitments as these fall due. This company is therefore dependent on Takoradi Limited's ability to continue as a going concern. The financial statements of the company have been drawn up on a going concern basis.

(c) Foreign currencies

Amounts payable and cash at bank of the company in foreign currencies have been translated to Australian currency at the rates ruling at year end. Transactions during the year have been accounted for at the ruling rates at date of payment. The applicable rate of exchange between the United Kingdom Pound and the Australian Dollar as at 30 June 2006 was £1 to A\$2.4884.

(d) Intangible fixed assets

Mineral Tenements

The costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area, or where activities have not reached a stage which permits reasonable assessment of the existence of economically recoverable reserves. Regular review of the carrying value of tenements is undertaken by Directors to determine whether any revaluation is appropriate.

TAKORADI GOLD (INTERNATIONAL) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2008

1 ACCOUNTING POLICIES (continued)

(e) Investments

Investments in subsidiaries are included at cost less provision for impairment. Impairment is based upon the directors view of the prospects of the subsidiary undertakings.

(f) Deferred taxation

Provision is made for deferred tax using the liability method to the extent that it is probable that a liability will crystallise.

2 OPERATING LOSS

The operating loss is stated after charging:

	2008 A\$	2007 A\$
Audit fees	-	-

No directors received any emoluments (2007 – A\$NIL).

3 TAXATION

Although the company has cumulative tax losses, no provision has been included for a deferred tax asset on the basis that there is uncertainty in respect of the company's ultimate recoupment of costs incurred to date and return to profitability.

4 INTANGIBLE FIXED ASSETS – Deferred Development expenditure

	Mineral tenements A\$	Total A\$
Cost		
At 1 July 2007 and 30 June 2008	16,548	16,548
Amortisation		
At 1 July 2007 and 30 June 2008	-	-
Net book amount		
At 30 June 2008	16,548	16,548
At 30 June 2007	16,548	16,548

The company's mining tenements were reviewed by the directors as at 30 June 2003. The directors reviewed internal geological reports and considered the existing market conditions for gold mining to determine the tenement values.

The ultimate recoupment of these costs is dependent upon successful development and commercial exploitation or alternatively sale of respective areas of interest.

TAKORADI GOLD (INTERNATIONAL) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2008

5 FIXED ASSET INVESTMENTS

	A\$
Cost	
At 1 July 2007 and 30 June 2008	2,416,277
Provisions	
At 1 July 2007 and 30 June 2008	2,416,276
Net book amount	
At 30 June 2008	1
At 30 June 2007	1

The company holds the following investments in subsidiary undertakings:

Name	Country of incorporation/ registration and operation	Type of share	% of nominal value of shares	Loss for the year		Aggregate capital and reserves	
				2008 A\$	2007 A\$	2008 A\$	2007 A\$
Takoradi (Gold) Ghana Ltd	UK	Ord	100	(401,546)	(461,707)	(10,715,380)	(10,313,834)
Northern Goldfields Limited	Ghana	Ord	72	(1,094,127)	(1,992,687)	(3,830,614)	(2,516,756)

Both companies undertake exploration for gold.

6 CREDITORS:

Amounts falling due within one year

	2008 A\$	2007 A\$
Other creditors	3,000	3,000

7 CREDITORS:

Amounts falling due after more than one year

	2008 A\$	2007 A\$
Amounts owed to group undertakings	2,567,286	2,567,286

TAKORADI GOLD (INTERNATIONAL) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2008

8 SHARE CAPITAL

	Authorised £	Allotted, called up and fully paid No	A\$
At 1 July 2007 and 30 June 2008 Ordinary shares of £1 each	10,000	100	222

9 RESERVES

Profit and loss account	A\$
At 1 July 2007	(2,553,737)
Loss for the year	-
At 30 June 2008	(2,553,737)

10 CONTINGENT LIABILITIES

The Company is currently in negotiation with the Executrix of the Estate of George Blay Kwofie in respect to the Insamankaw Joint Venture Agreement which has terminated. The issues being negotiated are:

- (a) the amount outstanding for payment;
- (b) renewal of the Joint Venture Agreement for an additional period.

11 TRANSACTIONS WITH RELATED PARTIES

As a wholly owned subsidiary, the company has taken advantage of the exemption available and not disclosed details of transactions with other group companies.

12 PARENT UNDERTAKINGS AND CONTROLLING PARTIES

The company is controlled by Takoradi Limited.

The parent undertaking of the largest and smallest group for which consolidated accounts are prepared is Takoradi Limited, a company incorporated in Australia. Consolidated accounts are available by conducting a company search in Australia.

In the opinion of the directors this is the company's ultimate parent company and ultimate controlling party.